Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 9, 2024

Company name: The Keiyo Bank, Ltd.
Stock exchange listing: Tokyo
Stock code: 8544 URL https://www.keiyobank.co.jp/
Representative: President Toshiyuki Kumagai
Inquiries: General Manager of Accounting Corporate Planning Division Yukihiko Nezu TEL 043-306-2121
Scheduled date of ordinary general meeting of shareholders: June 26, 2024
Scheduled date to file Securities Report: June 26, 2024
Scheduled date to commence dividend payments: June 27, 2024
Trading accounts: No
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	70,215	7.0	15,678	3.3	10,878	4.6
Year ended March 31, 2023	65,614	(0.1)	15,174	(6.3)	10,390	(7.1)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Ordinary profit/ordinary income
	Yen	Yen	%	%	%
Year ended March 31, 2024	87.11	–	3.5	0.2	22.3
Year ended March 31, 2023	81.80	–	3.5	0.2	23.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	6,547,247	328,936	4.9	2,615.26
As of March 31, 2023	6,575,882	296,079	4.4	2,313.85

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	(181,724)	(1,379)	(4,354)	1,046,087
Year ended March 31, 2023	(510,165)	26,677	(3,724)	1,233,546

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	11.00	–	11.00	22.00	2,802	26.8	0.9
Year ended March 31, 2024	–	11.50	–	12.50	24.00	3,011	27.5	0.9
Year ending March 31, 2025 (Forecast)	–	13.00	–	13.00	26.00		28.9	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	10,200	17.0	7,000	16.3	56.72
Full year	16,400	4.6	11,100	2.0	89.94

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	131,427,858 shares	As of March 31, 2023	133,927,858 shares

Number of treasury shares at the end of the period

As of March 31, 2024	8,018,444 shares	As of March 31, 2023	8,362,351 shares

Average number of shares during the period

Year ended March 31, 2024	124,877,611 shares	Year ended March 31, 2023	127,003,210 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Cash and due from banks	1,234,268	1,047,036
Call loans and bills bought	3,614	523
Trading securities	3,129	3,034
Money held in trust	3,024	3,020
Securities	1,118,530	1,160,237
Loans and bills discounted	4,087,888	4,211,534
Foreign exchanges	9,524	2,926
Other assets	40,396	43,341
Tangible fixed assets	56,992	56,532
Buildings, net	21,574	20,809
Land	30,762	30,693
Construction in progress	546	640
Other tangible fixed assets	4,110	4,387
Intangible fixed assets	16,764	18,491
Software	2,323	1,696
Software in progress	14,272	16,626
Other intangible fixed assets	168	168
Retirement benefit asset	5,150	10,731
Deferred tax assets	8,099	18
Customers' liabilities for acceptances and guarantees	3,044	3,454
Allowance for loan losses	(14,546)	(13,637)
Total assets	6,575,882	6,547,247
Liabilities		
Deposits	5,298,647	5,449,321
Negotiable certificates of deposit	51,000	–
Call money and bills sold	260,000	–
Cash collateral received for securities lent	412,895	454,464
Borrowed money	235,900	283,200
Foreign exchanges	113	231
Other liabilities	8,924	13,989
Provision for bonuses	1,351	1,412
Provision for bonuses for directors (and other officers)	70	69
Retirement benefit liability	935	9
Provision for retirement benefits for directors (and other officers)	5	5
Provision for share awards	326	422
Provision for reimbursement of deposits	291	118
Provision for contingent loss	1,074	1,035
Deferred tax liabilities	651	6,005
Deferred tax liabilities for land revaluation	4,570	4,570
Acceptances and guarantees	3,044	3,454
Total liabilities	6,279,802	6,218,310

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Share capital	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	188,967	194,994
Treasury shares	(6,553)	(6,052)
Total shareholders' equity	271,878	278,406
Valuation difference on available-for-sale securities	10,327	31,807
Revaluation reserve for land	7,040	7,040
Remeasurements of defined benefit plans	1,294	5,493
Total accumulated other comprehensive income	18,662	44,341
Non-controlling interests	5,538	6,188
Total net assets	296,079	328,936
Total liabilities and net assets	6,575,882	6,547,247

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Ordinary income	65,614	70,215
Interest income	46,621	47,597
Interest on loans and discounts	35,156	35,995
Interest and dividends on securities	9,630	10,649
Interest on call loans and bills bought	65	86
Interest on deposits with banks	1,766	857
Other interest income	1	7
Fees and commissions	12,720	13,529
Other ordinary income	537	2,813
Other income	5,735	6,275
Reversal of allowance for loan losses	2,139	–
Recoveries of written off receivables	4	0
Other	3,591	6,275
Ordinary expenses	50,439	54,537
Interest expenses	637	620
Interest on deposits	208	216
Interest on negotiable certificates of deposit	1	0
Interest on call money and bills sold	(58)	(75)
Interest expenses on cash collateral received for securities lent	486	478
Interest on borrowings and rediscounts	0	0
Other interest expenses	0	–
Fees and commissions payments	4,658	4,843
Other ordinary expenses	8,544	10,148
General and administrative expenses	34,769	35,003
Other expenses	1,828	3,922
Provision of allowance for loan losses	–	583
Other	1,828	3,338
Ordinary profit	15,174	15,678
Extraordinary income	–	47
Gain on disposal of non-current assets	–	47
Extraordinary losses	101	49
Loss on disposal of non-current assets	47	48
Impairment losses	53	1
Profit before income taxes	15,073	15,676
Income taxes - current	2,870	2,749
Income taxes - deferred	1,608	1,914
Total income taxes	4,479	4,664
Profit	10,594	11,012
Profit attributable to non-controlling interests	204	133
Profit attributable to owners of parent	10,390	10,878

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	10,594	11,012
Other comprehensive income	(6,773)	26,199
Valuation difference on available-for-sale securities	(8,126)	21,983
Remeasurements of defined benefit plans, net of tax	1,352	4,215
Comprehensive income	3,820	37,212
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,485	36,558
Comprehensive income attributable to non-controlling interests	335	654

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,759	39,704	183,058	(7,315)	265,208
Changes during period					
Dividends of surplus			(2,756)		(2,756)
Profit attributable to owners of parent			10,390		10,390
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares				37	37
Cancellation of treasury shares			(1,725)	1,725	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,908	761	6,670
Balance at end of period	49,759	39,704	188,967	(6,553)	271,878

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,576	7,040	(49)	25,567	5,208	295,983
Changes during period						
Dividends of surplus						(2,756)
Profit attributable to owners of parent						10,390
Purchase of treasury shares						(1,000)
Disposal of treasury shares						37
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	(8,249)	–	1,344	(6,904)	330	(6,574)
Total changes during period	(8,249)	–	1,344	(6,904)	330	95
Balance at end of period	10,327	7,040	1,294	18,662	5,538	296,079

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,759	39,704	188,967	(6,553)	271,878
Changes during period					
Dividends of surplus			(2,848)		(2,848)
Profit attributable to owners of parent			10,878		10,878
Purchase of treasury shares				(1,501)	(1,501)
Disposal of treasury shares			(0)	0	0
Cancellation of treasury shares			(2,002)	2,002	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,027	500	6,528
Balance at end of period	49,759	39,704	194,994	(6,052)	278,406

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,327	7,040	1,294	18,662	5,538	296,079
Changes during period						
Dividends of surplus						(2,848)
Profit attributable to owners of parent						10,878
Purchase of treasury shares						(1,501)
Disposal of treasury shares						0
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	21,480	–	4,198	25,679	649	26,328
Total changes during period	21,480	–	4,198	25,679	649	32,857
Balance at end of period	31,807	7,040	5,493	44,341	6,188	328,936

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	15,073	15,676
Depreciation	3,556	3,230
Impairment losses	53	1
Increase (decrease) in allowance for loan losses	(1,836)	(909)
Increase (decrease) in provision for bonuses	21	60
Increase (decrease) in provision for bonuses for directors (and other officers)	(0)	(0)
Decrease (increase) in retirement benefit asset	(702)	(383)
Increase (decrease) in retirement benefit liability	334	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(0)	(0)
Increase (decrease) in provision for share awards	41	95
Increase (decrease) in provision for loss on interest repayment	(1)	–
Increase (decrease) in provision for reimbursement of deposits	(170)	(172)
Increase (decrease) in provision for contingent loss	(12)	(39)
Interest income	(36,990)	(36,947)
Interest expenses	637	620
Loss (gain) related to securities	(4,859)	(8,939)
Loss (gain) on money held in trust	(16)	3
Foreign exchange losses (gains)	(4,386)	(3,783)
Loss (gain) on disposal of non-current assets	47	0
Net decrease (increase) in loans and bills discounted	(189,087)	(123,646)
Net increase (decrease) in deposits	156,670	150,674
Net increase (decrease) in negotiable certificates of deposit	(7,602)	(51,000)
Net increase (decrease) in borrowed money	(685,200)	47,300
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	651	(227)
Net decrease (increase) in call loans	(2,084)	3,090
Net increase (decrease) in call money	260,000	(260,000)
Net increase (decrease) in cash collateral received for securities lent	(49,324)	41,568
Net decrease (increase) in foreign exchanges - assets	2,439	6,598
Net increase (decrease) in foreign exchanges - liabilities	(30)	118
Interest received	37,058	36,657
Interest paid	(657)	(620)
Other, net	322	1,583
Subtotal	(506,056)	(179,389)
Income taxes paid	(4,109)	(2,335)
Net cash provided by (used in) operating activities	(510,165)	(181,724)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of securities	(251,118)	(337,417)
Proceeds from sale of securities	155,760	208,480
Proceeds from redemption of securities	118,715	120,202
Proceeds from fund management as investing activities	11,160	11,854
Purchase of tangible fixed assets	(1,577)	(2,076)
Proceeds from sale of tangible fixed assets	–	116
Purchase of intangible assets	(6,222)	(2,502)
Other, net	(41)	(35)
Net cash provided by (used in) investing activities	26,677	(1,379)
Cash flows from financing activities		
Purchase of treasury shares	(1,000)	(1,501)
Proceeds from sale of treasury shares	37	0
Dividends paid	(2,756)	(2,848)
Dividends paid to non-controlling interests	(4)	(4)
Net cash provided by (used in) financing activities	(3,724)	(4,354)
Net increase (decrease) in cash and cash equivalents	(487,213)	(187,459)
Cash and cash equivalents at beginning of period	1,720,759	1,233,546
Cash and cash equivalents at end of period	1,233,546	1,046,087